

[REDACTED] SHEPPARTON.

Starting up Expectations:

When I looked at Starting a [REDACTED] Franchise about 4 years ago I was given guidelines as to what was expected as a [REDACTED] Franchisee. Setting up a [REDACTED] in a certain size of building with certain furnishings, decorations, plants, office equipment, signage, number of staff and uniforms, computer programmes, presentation room and projector and equipment, staff training, and many other items, all of which were top of the range items and very expensive. I followed these instructions to the letter and spent nearly \$ 200,000 of my money to set up the Shepparton [REDACTED] exactly to franchisor instructions. After 3 years of being in the business I now know that a lot of these expenses were not needed, and it has put me in a bad financial situation, from where I see that I will never get my money back.

Financial Expectations:

When I looked into starting a [REDACTED] Franchise I was given a financial statement which I showed to my Solicitor and Accountant and on the figures given to me, it showed to be a profitable business. Three years later my franchise is struggling to pay it's bills let alone make an income for myself. As I am near retirement age I would like to have sold my business at a profit, but I am in a situation where I have to stay here and hope some improvement will come. I do not want to just walk away and leave it , but unless things change, this is what I will have to do.

Marketing:

In our Franchisee Contract we are required to pay 8.7 % of Gross Sales to [REDACTED] for Marketing. Because we are in a Provincial City, away from the State Capital City, a lot of the Advertising is not directed through our local Media, and we are forced to use our Local Media to advertise and are required to have approval for all advertising from [REDACTED], and we have to pay for it.

All marketing materials, which we have to use as per our Franchisee agreement, Posters, Brochures, Programme Folders, etc are not supplied free of charge from [REDACTED], we are forced to buy them from [REDACTED] and they are very expensive.

Royalties:

In our Franchisee Contract we are required to pay 17.5% of Gross Sales to [REDACTED], which we feel is just too high a percentage of sales. Added together with marketing this is 26.2% straight off the top, with the other expenses needed to run a business, there is nothing left for a profit margin.

Support Network:

When starting my Franchise, [REDACTED] promised to help set up the [REDACTED] Computer System etc, what happened was I was given a large folder with pages of information and told to read it. I had to hire a person to set up my Computer System to run the [REDACTED] Client Data Base. I had to go to Sydney for a week of training on how to run a [REDACTED], the expenses all came out of my pocket, and I had instructions for approximately half an hour. I was then given written instructions and told to work the rest out for myself.

Misrepresentations:

We feel that [REDACTED] have badly misrepresented, to the people starting up a [REDACTED] Franchise, the prospects of what lies ahead for them as a [REDACTED] Franchisee